



**CITY OF BURTON**  
**FINANCE COMMITTEE MEETING**  
**FEBRUARY 28, 2022**  
**MINUTES**

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**Council Chambers**

**Regular Meeting**

**5:00 PM**

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**4303 S. CENTER ROAD**  
**BURTON, MI 48519**

**This meeting was opened by Chair Tom Martinbianco at 5:00 PM.**

**A. ROLL CALL**

<b>Attendee Name</b>	<b>Title</b>	<b>Status</b>	<b>Arrived</b>
Tom Martinbianco	Chair	Present	
Vaughn Smith	Councilman	Present	
Greg Hull	Councilman	Present	

**B. STAFF PRESENT**

Charles Abbey, DPW Director/HR  
Racheal Boggs, City Clerk

**C. MINUTES APPROVAL**

1. Finance Committee - Regular Meeting - Mar 15, 2021 6:30 PM

Meeting Minutes were not discussed. No vote taken.

**D. AUDIENCE PARTICIPATION**

None.

**E. COMMITTEE DISCUSSION & ACTION ON THE FOLLOWING ITEMS:**

1. 5298 : Financing for Sewer Projects

Mr. Martinbianco stated he talked to Tom Colis who handled Phase 1 of our SRF. He indicated that we do not want to go out on the open market with our credit rating. He said we can get a 1.875% interest rate on a 20 year bond. It is 2.25% for a 30 year. I also asked him about taking money out of ARPA and prepaying \$1 million so we are borrowing less and maybe fit it into a 20 year. He seemed positive about that.

Mr. Smith stated those rates are great. Can we lock in the rates for phases 3, 4 and 5? You know it will go up.

Mr. Martinbianco stated he mentioned that. There is a cost problem because we don't know what those costs will be. The ARPA money has to be spent by 2024. Because of the time frame, that application most likely cannot be applied to other phases. We may be able to bond for it but my recollection is you have about three years to spend the proceeds. So, that would be like trying to undertake all those projects at

once and we might not have enough qualified contractors to get the work done. I don't know what the penalty is for being unable to execute the project.

Discussion continued regarding interest rates, bonding and ARPA funding.

Mr. Abbey stated I spoke with Mr. Colis and Benzinski myself. Bonding is still cheap money. It would be foolish with the uncertainties in the economy to not take advantage of it fully for Phase 2. I maintain what I said from early on that we are in a good position, financially. There are a lot of things we should consider as a team. Going forward, if we want to keep rates competitive, we have to manage responsibly and tight. We also have to grow the system. Growth is our only means of survival long term. None of us want to raise rates. Tom Colis said it would be foolish to spend your liquid cash if we don't have to right now. I concur. Looking forward if the feds decide to raise the rates to 4%, that can add up to a lot of money. We cannot lock in Phase 3, 4 and 5. Each phase is its own and has to be bonded at that time and approved by council. We are putting in for all the funding that is out there. We are in a good place. We have APRA funding. It is up to the council how they want to spend the money. We should not miss out on this opportunity. Don't spend all our cash. We can always pay things off if we need to. This gives us the flexibility.

Mr. Hull asked if we can combine phases.

Mr. Abbey stated we could have but we are at the mercy of the contractors right now. Each phase also has preliminary designs. Phase 3, 4 and 5 are not ready to be constructed today.

Mr. Smith stated we have a substantial balance in the sewer fund that is earning 2%. With inflation, they will raise that. The bond market will change. We are in a lull right now. We will make more money on the money in the bank than what we will pay to borrow. We should keep the ARPA money out of it. We should bond for the second phase and let our money make more money. Next year, we can see where we are at.

Mr. Abbey stated bonds are capped at 2.5% according to Tom Colis whereas open market will definitely rise. You have to rely on the bond counsel.

Discussion continued on interest rates.

Mr. Martinbianco asked if the bond counsel can come to a future meeting.

Mr. Abbey stated they are available on March 21st. We will reach out to them tomorrow. This will help us have a clear picture of what to do going forward.

Mr. Martibianco stated we talked about using ARPA money for the waterline extension. I am in favor of this but, we may have to do some sewer expansion and I am not sure what those might cost. This would be totally separate from what we are discussing.

Mr. Abbey stated we have the capacity as it stands today but if we do need to do an expansion, that's the beauty of having a healthy sewer fund balance. We can pay for those things out of the fund balance. This is why I caution you not to burn up your cash reserves that can be used for these unforeseen things that may come up.

Discussion on the future building project near Nehrings.

2. Discussion on budget amendment of \$40,000 to the Memorial Day/50th Anniversary event.

Mr. Martinbianco asked if the committee members have received a budget outlining how this money will be spent.

The commission stated they have not.

Mr. Martinbianco stated the final number in the budget for the Memorial Day event from last year was around \$19,000. This year, we budgeted \$40,000, \$20,000 for Memorial Day and \$20,000 for the 50th anniversary. We thought that amount would suffice. My understanding was we would do a 2-3 day event. I am unaware of the events. Did we reach out to school bands? To compliment matters, the Downtown Development Authority pledged \$10,000 to the event. That should take a little burden off the council. I would have thought the administration would've brought a budget. This is almost \$100,000 city commitment. Maybe \$20,000 is a better number.

Mr. Smith stated the Mayor has indicated that he needs \$20,000 plus to pay the DPW and police. This doesn't include any of the activities. I am struggling with making the decision not having any budget information in front of me.

Mr. Hull stated he spoke with the Mayor. He stated the labor was always part of the budget and that the council said to come back to council later if he needed funding. I have not seen a break down of the events.

Mr. Smith stated if a resident calls and asks me what I did with their money, right now I would not have an answer. I do know the city is soliciting for contributions. We need a break down of events, a budget from start to finish. I don't want to tell them how to do it, just plans including how they are going to market it. I have to see a budget before I can vote for it.

Mr. Martinbianco stated having the event on Friday is overreach.

Mr. Hull stated I do want to defend the committee in the sense that they have been having planning meetings. I don't want to come in and do the planning or tell them what to or not to do. We should fly at 30,000 feet on this. I agree we need a budget.

Mr. Smith stated he does not want to disparage the committee. Putting on events is hard work.

Discussion continued on scheduled vendors and events, labor costs, limiting the event to 2-3 days, whether contracts have already been signed or not, alternate proposals from the administration, reasoning for selecting events and speaking to event leadership at a future meeting.

The Finance Committee would like the administration to provide the following prior to the Finance Meeting scheduled for Monday, March 7, 2022 at 6:00PM for the purpose

of discussion and possible action on budgeting for the Memorial Day/50<sup>th</sup> Anniversary event:

- Provide an itemized event budget outlining events, vendors, entertainment, marketing, etc., including associated costs/projected cost.
- Present any alternate proposals to the committee.
- Have a leadership member of the event committee in attendance at the next Finance Meeting to answer the following questions and other questions proposed by the Finance Committee: What did we do to arrive at this budget figure? Have any contracts already been signed? If so, how much money are we already locked into? Can we afford to do four nights of events at \$20,000 in labor costs?

Mr. Martinbianco stated in the absence of the administration, Madam Clerk please inform the event leaders that we would like this information prior to the weekend so we can review it properly prior to the finance meeting next Monday.

Ms. Boggs confirmed the committees request and will pass the information along to the administration.

Meeting was adjourned at 6:10 PM.

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**CITY OF BURTON**  
**FINANCE COMMITTEE MEETING**  
**MARCH 15, 2021**  
**MINUTES**

Virtual Meeting

Regular Meeting

6:30 PM

**4303 S. CENTER ROAD**  
**BURTON, MI 48519**

**This meeting was opened by Chairman Vaughn Smith at 6:30 PM.**

**A. MEETING INFORMATION**

Finance Meeting  
 Hosted by Racheal Boggs

<https://cityofburton.my.webex.com/cityofburton.my/j.php?MTID=m711bbcb53907f62682808cc64482d9aa>

Monday, Mar 15, 2021 6:30 pm | 1 hour | (UTC-05:00) Eastern Time (US & Canada)

Meeting number: 182 879 3904

Password: Fin2021 (3462021 from phones and video systems)

Join by video system

Dial 1828793904@webex.com

You can also dial 173.243.2.68 and enter your meeting number.

Join by phone

+1-415-655-0001 US Toll

Access code: 182 879 3904

**B. ROLL CALL**

Attendee Name	Title	Status	Arrived
Tom Martinbianco	Council Member	Remote	
Dennis O'Keefe	Council Member	Present	
Vaughn Smith	Chairman	Present	

**C. STAFF PRESENT**

Duane Haskins, Mayor  
 Racheal Boggs, City Clerk  
 Charles Abbey, DPW Director/HR  
 Amber Abbey, Deputy DPW Director  
 Amanda Doyle, City Attorney  
 Steve Phillips, IT Director

**D. ADMINISTRATIVE REPORT**

1. Revenue and Expenditure Report 2/28/2021

**E. AUDIENCE PARTICIPATION**

Public comment may be sent to: [publiccomment@burtonmi.gov](mailto:publiccomment@burtonmi.gov). Comments received prior to the meeting will be read into the record.

None.

**F. COMMITTEE DISCUSSION & ACTION ON THE FOLLOWING ITEMS:**

- A. Motion to approve and send to City Council to repair the fence at Fire Station #1 with unused funds from cancelled 2020-2021 Parks & Recreation Events in the amount of \$13,800.

Mr. Smith stated I have asked Councilwoman, Tina Conley to come tonight to discuss Parks & Recreation events and where we will be drawing the money from. Thank you to the Clerk for providing the revenue and expenditure report with our packet. This is also on page 5 of your 2020-21 budget. Basically, none of our Parks & Recreation events have happened this year and Mrs. Conley has been working diligently on repairing the fence at Fire Station #1. I will turn the meeting over to her.

Mrs. Conley stated I would like to go over events in the budget that were cancelled. The Easter Egg Hunt was cancelled twice and we had budgeted \$2,000, the Trick or Treat Trail was \$3,800, Tree Lighting Ceremony was \$3,000, Pizza with Santa was \$2,800 and we also have P&R Community Events where we budgeted \$3,000. If you add this all up it come to \$13,800. Looking at last years money, which would have been \$24,000 for the Easter Egg Hunt and Memorial Day Event, we didn't use the money and it went back into general fund. I made a diagram for all the council members and we can go over it. We may have to get into the general fund for a small amount but, most of the money is here from the events that we didn't have. I gave everyone a packet of what we would like to do. The pictures are labeled and I brought them with me.

Mr. O'Keefe stated Mrs. Conley has definitely done her due diligence. You can tell your heart is in this project. I compliment you on how efficient you have been. I would like to send this to council.

Mr. Martinbianco asked the Mayor how the budget process is going. Will we be in compliance with the City Charter for presenting the budget at the first meeting in April?

Mayor Haskins said, yes sir.

Mr. Smith stated the schedule has been done and the administration is reviewing it now. Everyone will get a copy in plenty of time to see what their schedules are like.

<b>RESULT:</b>	<b>CARRIED [UNANIMOUS]</b>
<b>MOVER:</b>	Dennis O'Keefe, Council Member
<b>SECONDER:</b>	Tom Martinbianco, Council Member
<b>AYES:</b>	Martinbianco, O'Keefe, Smith

Meeting was adjourned at 6:42 PM.

Minutes Acceptance: Minutes of Mar 15, 2021 6:30 PM (Minutes Approval)



**SCHEDULED**

**AGENDA ITEM (ID # 5298)**

DOC ID: 5298

## **Discussion on financing options for future sewer projects.**

### **COMMENTS - Current Meeting:**

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